

GRANT BUDGET ADJUSTMENTS AND CHANGES

When a grantee intends to make a change to their grant budget or program, the grantee should contact their OAG grant manager. Budget adjustments and other budget changes **cannot** increase or decrease the contract award amount and generally do not require a contract amendment. Some adjustments require the prior approval of the OAG.

Definitions

Approved Budget Category: A category in the grantee's Detailed Budget (salary, fringe, professional & consultant, travel, equipment, supplies, and other direct operating expenses) previously approved by the OAG. The Detailed Budget shows an amount greater than \$0 as awarded in the category.

Grant Adjustment Request Form: A form the grantee must use to request certain adjustments to their approved budget.

Prior Approval: The grantee must request the adjustment using the required forms and wait for the OAG to respond in writing before the new revised budget can be finalized by the grantee.

Types of Budget Changes

1. Budget Adjustments: Requires prior approval by OAG.

- Adjustment of 10% or More – 10% or more of the awarded funds are moved from one approved budget category to another approved budget category within line items. Funds are reallocated between line items in an approved budget category.
- Adding New Budget Category – Awarded funds are moved from an existing approved budget category to a **new** budget category (one that previously had \$0 awarded).
- Adding New Line Items – Requesting a new line item for an already approved category.
- Personnel Changes – Any change (increase or decrease) in hours worked or annual salary adjustments for awarded positions. Eliminating an awarded position or changing the job function. Requesting to add new positions to the grant award.
 - These personnel changes require prior approval, even if award amounts are less than 10% of the awarded funds.

2. Other Budget Changes: Requires notification to OAG before implementation.

- Less than 10% Budget Modification - Less than 10% of the awarded funds are moved within or between approved budget categories and approved line items.
- Budget Category Modification – Funds are reallocated between approved line items within an approved budget category in an amount that is less than 10% of the total budget for that fiscal year.
- Personnel Modifications – Change in job title only, job function and job description does not change. One time merits for job performance due to lapse salaries. Lapse salaries are funds available from termination/resignation.

Procedures

For **Budget Adjustment** requests:

1. Contact your Grant Manager to notify him or her that you plan to submit a budget adjustment and to discuss any questions about the changes you plan to request.
2. Complete a Grant Adjustment Request Form
3. Mark up a copy of your current Detailed Budget with proposed changes detailed by line item
4. Send a hard copy of the Request Form and marked-up Detailed Budget:

**Office of the Attorney General
Grants Administration Division – MC 005
P. O. Box 12548
Austin, Texas 78711-2548**

Note:

- Generally, only one budget adjustment per state fiscal year is allowed. The grantee may request an additional budget adjustment if they demonstrate circumstances that the OAG deems extenuating.
- If the grantee requires a **second budget adjustment request**, the request must be submitted in writing outlining the extenuating circumstances that necessitated the request. The request must include the documents listed above **PLUS** a cover letter explaining the extenuating circumstances.

For **Other Budget Changes**:

1. Contact your Grant Manager if you have any questions about the changes you plan to make.
2. Mark up a copy of the Detailed Budget with proposed changes detailed by line item.
3. Send a copy of a marked-up detailed budget (**may be submitted by hard copy, email or fax**) to your Grant Manager with a note explaining the changes planned.

Instructions for Required Forms

1. Grant Adjustment Request Form:

- Complete the top section. For Grant Type, click the down arrow button and select grant type from the pull down menu.
- **Budget Information:**
 - List the current approved budget amounts from grantee's Detailed Budget in Column - 1 *Original Budget FY 2010* column (do not include matching funds, if any).
 - List the requested change in dollars by budget category (indicate whether it is a positive or negative amount) in Column - 2 *Requested Change* column.
 - Column 3 - *Proposed Operating Budget* will auto-calculate the proposed new amount for each category.
 - The total for each column is auto-calculated in this worksheet.
 - The awarded totals in Column 1 and Column 3 **must be equal**.

Note: The total awarded amount for FY 2010 cannot change without a contract amendment. If you anticipate not using all of the grant funds awarded to your agency, contact your Grant Manager and indicate that you would like to reduce your grant budget.

- **Reason for Request:** Give a short description for the change in each budget category.
- **Requested By:** The Authorized Official or designee must sign and date the form.

Note: The Authorized Official is the individual given the authority to sign all grant adjustment requests, inventory reports, progress reports and financial reports or any other official documents related to the grant on behalf of the grantee.

- **Approved By:** *For OAG use only.*

2. Copy of Current Approved Budget:

- **Proposed changes:** Enter your proposed budget changes on a copy of your “Detailed Budget.” Either manually or electronically strike out the approved line item amounts and indicate the new proposed amount for each line item you are adjusting. If you are adding a new line item, list it under the appropriate budget category and add the proposed amount.
- **Total columns and rows:** Total all columns and rows affected by the proposed changes, they will not auto-calculate.

Note: The total FY 2010 awarded amount **cannot** change without a contract amendment.

Review and Approval

Budget Adjustments: The OAG will review the request and make a determination. The review process typically takes 30-45 days. If the budget adjustment is approved, a revised and amended Detailed Budget will be sent to the grantee via email, including the budget implementation date. The email will also include a revised Financial Status Report (FSR) that reflects the approved budget changes and a revised Salary and Match Detail Report, if applicable. Approved budgets are retroactive to the beginning of the month for which the request was submitted.

Other Budget Changes: The OAG will review the changes planned and contact the organization if any questions or concerns are identified. The review process typically takes 15-30 days. These changes do not require prior approval, however, an updated Detailed Budget will still be sent to the organization electronically. The email will also include a revised Financial Status Report (FSR) that reflects the approved budget changes and a revised Salary and Match Detail Report, if applicable. Approved budgets are retroactive to the beginning of the month for which the request was submitted.

Retention

Detailed supporting documentation for this form must be kept for four years or longer in accordance with the Uniform Grant Management Standards. All documents must be available upon request of the OAG or OAG’s designee.

Corrections/Questions

If you have any questions, or discover an error after sending in the Grant Adjustment Request Form, immediately contact your grant manager or one of us for assistance.

For Crime Victim Services and Criminal Justice grantees the financial contacts are:

Pinni Warner
Financial Specialist
(512) 936-6397

pinni.warner@oag.state.tx.us

Zulay Sanchez
Financial Manager
(512) 936-1688

zulay.sanchez@oag.state.tx.us

Comparison Chart

Budget Adjustment	Other Budget Changes
<ul style="list-style-type: none"> • Does not change the total award amount. 	<ul style="list-style-type: none"> • Does not change the total award amount.
<ul style="list-style-type: none"> • Requires written request and OAG prior approval before implementation. 	<ul style="list-style-type: none"> • Requires a notification and submission of changes to the OAG. • Does not require prior approval, but the OAG reserves the right to request additional information or disallow the change.
<ul style="list-style-type: none"> • May request approval of new budget category. 	<ul style="list-style-type: none"> • Move funds between approved budget categories or approved line items.
<ul style="list-style-type: none"> • May request a change to one or more approved budget categories in an amount that is 10% or more of the total budget for that fiscal year. • May request adding a new line item within an already approved category. 	<ul style="list-style-type: none"> • Move funds within an approved budget category or request changes to one or more approved budget categories in an amount that is less than 10% of the total budget for that fiscal year.
<ul style="list-style-type: none"> • Any change (increase or decrease) in hours worked or annual salary adjustments for awarded positions. Eliminating an awarded position or changing the job function. Requesting to add new positions to the grant award. 	<ul style="list-style-type: none"> • Change in job title only, job function and job description does not change. • One time merit for job performance due to lapse salaries.
<ul style="list-style-type: none"> • Generally, only one budget adjustment per state fiscal year is allowed. • The grantee may request an additional budget adjustment if they demonstrate circumstances that the OAG deems extenuating. 	<ul style="list-style-type: none"> • More than one other budget change may be submitted as long as the total of the different changes does not exceed 10% of the total budget for that fiscal year.
<ul style="list-style-type: none"> • Requests for budget adjustments must be received by GAD by the 20th day of the month. • Budget adjustments will not be accepted after June 18, 2010. 	<ul style="list-style-type: none"> • May be submitted as changes are identified as needed by the grantee. • Note: The OAG may require a Budget Change from the grantee to close-out the fiscal year.